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CENTURY LEGEND (HOLDINGS) LIMITED
世紀建業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00079)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

On 13 June 2022, the Vendor (a wholly-owned subsidiary of the Company) entered into the Provisional SP Agreement with the Purchaser in relation to the disposal of the Property for a consideration of HK\$8,200,000. Pursuant to the terms of the Provisional SP Agreement, the Vendor and the Purchaser will enter into a formal sale and purchase agreement for the Disposal on or before 24 June 2022. Completion is scheduled to take place on or before 9 September 2022.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceeds 5% but are all less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

THE PROVISIONAL SP AGREEMENT

On 13 June 2022, the Vendor entered into the Provisional SP Agreement with the Purchaser for the disposal of the Property.

SUMMARY OF TERMS OF THE PROVISIONAL SP AGREEMENT

Date: 13 June 2022

Vendor: Century Legend Properties Limited, a wholly-owned subsidiary of the Company.

* For identification purposes only

Purchaser: Crown Bloom (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Subject matter:

Pursuant to the Provisional SP Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property located at Unit G, 10th Floor, Hung Cheung Industrial Centre (Phase I), 12 Tsing Yeung Circuit, Tuen Mun, New Territories.

The Provisional SP Agreement serves as a framework to govern the action that the parties shall take, including the execution of the Formal Agreement. The Formal Agreement shall be signed on or before 24 June 2022. Completion of the sale and purchase of the Property shall take place on or before 9 September 2022. The Provisional SP Agreement shall have binding effect on the Vendor and the Purchaser and shall remain in full force and effect unless and until replaced by the Formal Agreement.

Consideration and payment terms:

The consideration for the Property of HK\$8,200,000 is payable in the following manner:

- (i) the initial deposit of HK\$410,000 (representing approximately 5% of the Consideration) was paid by the Purchaser to the Vendor's solicitors as stakeholder upon the signing of the Provisional SP Agreement subject to the terms and conditions thereof;
- (ii) a further deposit of HK\$410,000 (representing approximately 5% of the Consideration), shall be paid by the Purchaser to the Vendor's solicitors as stakeholder upon the signing of the Formal Agreement subject to the terms and conditions of the Provisional SP Agreement; and
- (iii) the remaining balance of HK\$7,380,000 (representing 90% of the Consideration), shall be payable by the Purchaser to the Vendor upon Completion.

If the Purchaser fails to complete the purchase pursuant to the terms of the Provisional SP Agreement, any deposits paid by the Purchaser shall be forfeited to the Vendor and the Vendor shall then be entitled at its absolute discretion to sell the Property to anyone it thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser's default of the Provisional SP Agreement. If the Vendor fails to complete the sale pursuant to the terms of the Provisional SP Agreement, the Vendor shall immediately refund all deposits received to the Purchaser together with a sum equivalent to the total amount of deposits paid by the Purchaser as liquidated damages and the Purchaser shall not take any further action to claim for damages or to enforce specific performance of the Provisional SP Agreement against the Vendor.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the prevailing market value of similar properties in the same area in Hong Kong.

INFORMATION ON THE PROPERTY

The Property is a factory unit located in a factory building in Tuen Mun with a total gross floor area of approximately 2,843 sq. ft.. The Property has been used as warehouse by the Group since it was acquired in March 2009.

As at 31 December 2021, the audited carrying value of the Property was approximately HK\$911,000. For the years ended 31 December 2020 and 2021, after deducting direct expenses in connection with the Property such as government rent and rates, management fees as well as utilities, the net loss before and after taxation attributable to the Property was approximately HK\$126,000 (one-off repair and maintenance expenses at \$98,000 was incurred) and HK\$29,000, respectively.

INFORMATION ON THE VENDOR AND THE COMPANY

The Vendor is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. The Vendor is principally engaged in property investments and trading securities in Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of hair styling services, money lending business, property investments, securities investments, hospitality services and property project management.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties and the Purchaser is a property holding company.

FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

As at 31 December 2021, the audited carrying value of the Property was approximately HK\$911,000. Based on the Consideration of HK\$8,200,000, the Company is expected to recognize a gain (net of related legal costs, commission and expenses) of approximately HK\$7,160,000 from the Disposal for the year ending 31 December 2022.

Based on the Consideration of HK\$8,200,000 and the associated estimated direct cost of the Disposal of HK\$150,000, the Company is expected to receive net proceeds of approximately HK\$8,050,000 from the Disposal. The Company intends to use the proceeds for general working capital of the Group.

REASONS AND BENEFITS FOR THE DISPOSAL

The Directors undertake strategic review of the Group's assets from time to time with a view to maximizing returns to Shareholders. Taking into account the recent market conditions and prevailing property market price for industrial properties in Hong Kong, the Board is of the opinion that the Disposal represents a good opportunity for the Group to realise its investment in the Property for a reasonable return.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser having considered the market value of the industrial properties nearby. In view of the above, the Board is of the view that the terms of the Provisional SP Agreement, including the Consideration, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole.

The business of the Group will remain the same after completion of the Disposal, and the Directors do not anticipate that the completion of the Disposal will have a significant effect on the business and performance of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Disposal exceeds 5% but are all less than 25%, the Disposal therefore constitutes a discloseable transaction for the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors;
“Company”	Century Legend (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	completion of the Disposal;
“Consideration”	the consideration of HK\$8,200,000 for the Disposal;
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of the Property pursuant to the Provisional SP Agreement;
“Formal Agreement”	the final and formal contract to be signed between the Purchaser and the Vendor in relation to the Disposal;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Party(ies)”	Party(ies) who is/are third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	Unit G, 10th Floor, Hung Cheung Industrial Centre (Phase I), 12 Tsing Yeung Circuit, Tuen Mun, New Territories;
“Provisional SP Agreement”	the provisional agreement for sale and purchase dated 13 June 2022 and entered into between the Vendor and the Purchaser in relation to the Disposal;
“Purchaser”	Crown Bloom (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability;
“Shareholder(s)”	holder(s) of the ordinary share(s) of HK\$0.20 each in the capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Century Legend Properties Limited, a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“sq. ft.”	square feet.

By Order of the Board
Century Legend (Holdings) Limited
Chu Ming Tak Evans Tania
Executive Director

Hong Kong, 13 June 2022

As at the date of this announcement, the Board comprises six Directors, of which three are executive Directors, namely, Mr. Tsang Chiu Mo, Samuel, Ms. Tsang Chiu Yuen, Sylvia and Ms. Chu Ming Tak Evans Tania; and three are independent non-executive Directors, namely Mr. Hui Yan Kit, Mr. Lau Pui Wing and Ms. Ho Ting Mei.